Winter Peak Demand Reduction Scheme (WPDRS)

Rules

Season 2007/08

INTRODUCTION

This document sets out the **Rules** for the fifth season of the **Winter Peak Demand Reduction Scheme** (**WPDRS 2007/08**), as it applies to **Customers** with **Interval Metering** (quarter hourly metering).

It has been designed to incentivise **Customers** to reduce load in a **Delivery Period** between 17.00-19.00 on **WPDRS Business Days** between 1st November 2007 and 21st March 2008.

The **Rules** for the **WPDRS** 2007/08 have been developed from the **Scheme** that ran during the previous four winter seasons. The **Rules** of the **Scheme** have been updated to reflect changes to way the **Scheme** operates.

A separate scheme operated by ESB Customer Supply, known as the Winter Demand Reduction Incentive has a similar aim to WPDRS and operates at a similar time of year. In the future it may be desirable to have a single scheme, but currently customers are <u>not</u> allowed to participate in both schemes concurrently.

RULES OF SCHEME

ELIGIBILITY

Customers who wish to participate in the **Scheme** must have the ability to reduce their metered consumption, and / or increase their metered exports between 17:00 and 19:00 on **WPDRS Business Days** for all or part of the duration of the **Scheme**. This can be achieved by switching plant off at this time or through the use of on-site generation.

The **Scheme** will run from 1st November 2007 to 21st March 2008 inclusive.

The **Scheme** will be open to **Customers** who participated in last years **Scheme** and **Customers** with a Maximum Import Capacity greater than or equal to 250 kVA, with **Interval Metering** and remote communications installed on or before 1st January 2007 for whom a **Capacity Baseline** and an **Energy Benchmark Ratio** or an **Energy Benchmark Offset** have been calculated by EirGrid. EirGrid is not responsible for ensuring the availability of the necessary historic data required to determine the **Capacity Baselines** and the **Energy Benchmark Ratios/Offset.** The Distribution System Operator (**DSO**), the Meter Registration System Operator (**MRSO**) and ESB Customer Supply (**ESB CS**), as appropriate, will be responsible for providing this data to EirGrid.

Customers who do not currently have **Interval Metering** in place, but will have such metering installed during the period that the **Scheme** operates will also be considered for the **Scheme**.

The base unit for inclusion in the **Scheme** is a single site, provided that the meters on that site relate to one **Customer** and are registered to one **Supplier**, and that metering is available for all the relevant meters.

Customers who participate in the Winter Demand Reduction Incentive (**WDRI**) run by **ESB CS** will not be eligible to participate in **WPDRS**.

QUALIFICATION

Customers interested in participating in the **Scheme** should contact their **Supplier** for an application form that they should complete and return to their **Supplier.** The **Supplier** will forward the application to EirGrid for consideration on or before 19th October 2007.

In their application, **Customers** will be required to indicate the level of electricity demand they will consume (in MW) during the **Delivery Period**. This is the **Committed Level**. In addition, entries on the application form may only include one start date and one end date.

RESERVATION OF RIGHT NOT TO PROCEED WITH APPLICATION

The Commission for Energy Regulation (CER) reserves the right not to proceed with any application.

DESIGNATED CUSTOMERS

If a **Customer** is successful in their application they will be deemed to be a "**Designated Customer**".

ELIGIBILITY TO PARTICIPATE IN THE SINGLE ENERGY ELECTRICITY MARKET

Designated Customers or 3rd parties operating on the **Customer's** behalf must not participate in the Single Electricity Market (i.e. they must set their market availability to zero) on **WPDRS Business Days** between the hours of 17:00 and 19:00 for the term to which the **Designated Customer** has agreed to participate in **WPDRS**. Furthermore, the penalties for participation in the **Single Electricity Market** and receiving payments, on any **WPDRS Business Day** between 17:00 and 19:00 shall increase in severity upon each instance;

  i) For one occurrence of participating in both **WPDRS** and **SEM**, the **Customer** will lose the **Reliability Payments** and **Profile Payments** for the week in which the non-zero availability occurs,

  ii) a **Customer** will receive zero payments in the month in which the second instance occurs,

  iii) a **Customer** will be removed from the **Scheme** upon the third instance, following **CER** approval.

Any **Designated Customer** who wishes to participate in the Single Electricity Market must notify EirGrid of their intentions to register as a market participant through their **Supplier**, in order to allow monitoring. Furthermore, the **Supplier** of a **Designated Customer** who forms part of an Aggregated Demand Site, must provide a breakdown of the **Designated Customer's** market availabilities between 17:00 and 19:00 on **WPDRS Business Days**.

DELIVERABLES AND PAYMENTS

Designated Customer

A **Designated Customer** will commit to reducing their electrical demand between 17:00 and 19:00 on **WPDRS Business Days** in the period 1st November 2007 to 21st March 2008 to, or below, their **Committed Level** as indicated in their application form, their **Committed Level Variation Form** or their **Emergency Committed Level Variation Form** as appropriate.

Payment for this deliverable will be based on price published in the "**Published Price** for the WPDRS - 2007/08", document which will be published by EirGrid and CER at the time the draft determination of retail tariffs are published in early October 2007.

COMMITTED LEVEL VARIATION

Designated Customers are entitled to choose a different **Committed Level** for each full week of the scheme. This **Committed Level** variation must be notified to EirGrid by the **Customer,** through their **Supplier** using a **Committed Level Variation Form**, not later than two **WPDRS Business Days** prior to the start of the week in question. The **Designated Customer** must specify the **Committed Level** variation, the start date of the variation, and the end date of the variation.

Designated Customers may only submit one **Committed Level** variation per week.

Each **Committed Level** variation must be applicable for at least one week starting on the Monday and running through to the Friday of the week in question. Where a variation is for a period longer than one week, the variation must be applicable for a number of complete weeks. For the avoidance of doubt, the **Committed Level** applicable on the Monday of a given week will be the **Committed Level** for that entire week. Suppliers are required to submit an Excel spreadsheet "clvspreadsheet.xls" which summarises any changes to **Committed Levels** by their customers in a given week together with any CLV forms received during a week (again not later than two **WPDRS Business Days** prior to the start of the week in question).

Once a customer has submitted a **Committed Level Variation** for a particular week, they may **not** subsequently revise that level, unless they are eligible to submit an **Emergency Committed Level Variation**.

EMERGENCY COMMITTED LEVEL VARIATION

In exceptional circumstances, **Designated Customers** may submit an **Emergency Committed Level Variation Form.**

The **Emergency Committed Level Variation** facility is **only** available to customers who wish to increase their **Committed Level**. However **Customers** may submit a second **Emergency Committed Level Variation Form** in a week, if this submission is to revise its **Committed Level** to its original value (i.e. the **Committed Level** value before any **Emergency Committed Level Variation Forms** were submitted). It is expected that this process will be used in a very small number of cases, for example if a generator trips unexpectedly and becomes unavailable for a prolonged period. The procedure for **Emergency Committed Level Variation** is outlined below:

By 12:00 noon on the day on which the Emergency Variation is to be effective, the **Customer's** administrator will submit a correctly completed **Emergency Committed Level Variation Form** to EirGrid. The form will specify the effective date on which the Emergency Variation will take effect. The Emergency Variation will be effective from the effective date stated on the form until the end of the calendar week in which the effective date occurs. The **Emergency Committed Level Variation Form** also gives the **Customer** an option to specify that the Variation is to apply for one subsequent week. If a **Customer** wishes to revise its **Committed Level** twice in one week as is detailed above, a separate **Emergency Committed Level Variation Form** must be submitted for each revision.

To clarify, **Customers** may only submit a maximum of two **Emergency Committed Level Variation Forms** in one week; where the first form increases their **Committed Level** and the second form revises their **Committed Level** to the Committed Level value before any Emergency Committed Level Variation Forms were submitted.

When the period specified has elapsed, the Customer's **Committed Level** will revert to the default level specified in the Customer's original Application Form (or on previously submitted **Committed Level Variation Forms** which may supersede it).

SUPPLIERS

Suppliers will be responsible for:
- coordination of applications from their **Customers**;
- ensuring that correctly completed applications are received by EirGrid;
- ensuring that correctly completed **Committed Level Variation Forms** and **Emergency Committed Level Variation Forms** are received by EirGrid within the time specified in the **Rules;**
- assisting EirGrid in the administration of the **Scheme;**
- making payments to their **Designated Customers; and**
- ensuring that their **Designated Customers** who participate in **WPDRS** do not participate in **WDRI** also.
- notifying EirGrid of any **Customer,** who registers in the Single Electricity Market as a Demand Side Unit.
- providing a breakdown of the market availabilities between 17:00 and 19:00 on **WPDRS Business Days** for **Customers** who form part of an Aggregated Demand Site, within 10 **WPDRS Business Days** of the end of the Calendar month.

Any dispute raised by a **Customer** will be dealt with through their **Supplier**.

For the avoidance of doubt, the **Supplier** shall be responsible contractually to the **Designated Customer** for all payments due to the **Customer** under the **Scheme**.

Payment to **Suppliers** for this deliverable will be based on the total level of load reduction provided by their **Designated Customers**. **Suppliers** will receive a sum equal to 5% of the amount payable to their **Designated Customers**.

TERMS & SETTLEMENT

Designated Customers

Designated Customers will receive payment for the load reduction provided in accordance with the agreement they have with their **Suppliers**.

Suppliers

Suppliers will receive notification of the amount owing to them (their fee as well as payments due to their **Designated Customers**) within either 25 **WPDRS Business Days** of the end of the month in which the load reduction took place, or if there is a delay in data being provided to EirGrid, within 15 **WPDRS Business Days** following receipt of a complete data set for that **Supplier** from the **DSO**, **ESB CS** and/or **MRSO** as appropriate.

The **Supplier** will be requested to send an invoice to EirGrid for this amount. Payment will be made by EirGrid within 10 **WPDRS Business Days** of the receipt of this invoice. This payment may be reconciled at a later date in the event that updated data becomes available.

Should the **Supplier** wish to dispute the amounts owing to them, they must raise the dispute with EirGrid within 3 months of receiving notification of the amount owing to them. For resolution of disputes, the Dispute Mechanism outlined below shall be used.

Should updated data be received from **DSO**, **ESB CS** or **MRSO** after monthly settlement has been completed, a reconciliation process will be undertaken by EirGrid. Full and final reconciliation will be completed quarterly by EirGrid.

EirGrid is not responsible for ensuring payments are made to **Designated Customers**. This is a matter between **Designated Customers** and their **Suppliers**. No liability shall attach to EirGrid in the event that the **Supplier** fails to make the correct payment to the **Customer**.

Should a **Designated Customer** switch **Supplier** during one of the five delivery months, all payments due in respect of the service they provided under the **Scheme** for the month will be paid to the **Supplier** with which they are registered at the end of that month.

ROLE OF EirGrid

EirGrid will be responsible for:
- calculation of **Customers**' **Capacity Baseline Levels** and **Energy Benchmarks** based on data provided to EirGrid by **DSO, MRSO** and **ESB CS**;
- selection of **Designated Customers** (subject to approval by **CER**);
- monitoring load reductions provided on a **Designated Customer** by **Designated Customer** basis;
- calculation of payments due to **Designated Customers**;
- calculation of payments due to **Suppliers**;
- making payments to **Suppliers**;
- accepting and confirming **Committed Level** variations to the **Designated Customer's Supplier**;
- compliance by **Suppliers** and **Designated Customers** with **Scheme** and the **Rules**
- Will advise **CER**, **Supplier** and **Customer** if a **Customer** is being removed from the **WPDRS**.

ACCURACY OF METERING DATA

It is the responsibility of the **Designated Customer** to check their metering code in relation to the provision of accuracy of metering data. In particular, any possible drift in the timings of meters will not be considered as a legitimate reason for breach of **Committed Level**. As this drift may affect timely reductions especially at the boundary periods of 17:00 and 19:00, it is the **Customer's** responsibility to ensure adequate measures are in place to counteract any mismatch of timings as a result of this drift.

PAYMENTS

Information on the payment calculation process is contained in Annex B – "Payment Calculation" of this document.

The **Published Price** will be published in conjunction with the draft determination of the retail tariffs in the "Published Price for **WPDRS** 2007/08" document. This document will be available on the CER and EirGrid website, and will include the **Reliability Payment Rate**, the **Profile Payment Rate** and the **Rebate Rate.**

DURATION

It is envisaged that this **Scheme** will run each winter until 2007/08, or until such time as the **CER** decides. The application process will recommence each year to allow new **Customers** to take part, to incorporate improvements identified, and to allow previous **Designated Customers** to submit new **Committed Levels.**

Customers eligible to participate in the **WDRI** will be required to choose to participate in either the **WPDRS** or the **WDRI**.

TREATMENT OF EXPORTS

Customers who have the facility to export load from their site, and have the appropriate licenses to export and the relevant requirements necessary to trade electricity in the market shall be termed **Exporters** for the purposes of this scheme. **Exporters** will be able to avail of payments through this **Scheme** should they be in the position to increase their exported load. This will be subject to the availability of appropriate historic meter data to calculate their **Baseline** and **Benchmark Offset**. Payment rates and terms will be identical for exported load as for measured load reductions from **Designated Customers**.

TERMINATION

The CER reserves the right to terminate a **Supplier's** or **Designated Customer's** participation in the **Scheme** if
  i.   they become bankrupt,
  ii.   are no longer capable of providing the service under the **Scheme;** or
  iii. for any other reason that reasonably seeks to ensure that the **Scheme** operates in an equitable and efficient manner.
  iv.   they participate in the **SEM** during 17:00 and 19:00 on **WDPRS Business Days**.

COMPLIANCE

EirGrid will use metered energy to monitor levels of load reduction achieved by each **Designated Customer**. EirGrid will then calculate the level of payments that each **Designated Customer** should receive under the **Scheme**.

VARIATIONS TO THE SCHEME

EirGrid will monitor the **Scheme** and may as a result propose amendments and/or variations to the **Scheme** to the CER for their approval.

GOVERNING LAW AND JURISDICTION

These **Rules** shall be interpreted, construed and governed by the laws of the Republic of Ireland.

DISPUTE RESOLUTION

Any Party may notify another Party following the discovery of any item or event which the notifying Party acting in good faith considers to be a dispute under the **Scheme**. This notification must be made by a registered posted letter addressed to the Manager, Ancillary Services, EirGrid, with address at 27 Lower Fitzwilliam Street, Dublin 2.

Within fifteen (15) **WPDRS Business Days** of this notice, the notifying Party may, if considered appropriate and by further notice to the other Party, appoint a senior company official with expertise in the area of dispute to represent it and within fifteen (15) **WPDRS Business Days** of appointment, to meet the other Party's representative to attempt in good faith to satisfactorily resolve the dispute.

If the dispute is not resolved within thirty (30) **WPDRS Business Days** of the meeting referred to above, then either Party may refer the matter to the **CER** for resolution.

Each Party further agrees that a finding or conclusion of the **CER** in accordance with the Dispute Resolution Procedure, shall be conclusive and binding upon all the Parties.

Annexes

Annex A   Defined Terms

"Baseline": See **Capacity Baseline Level**;

"Benchmark": See **Energy Benchmark**;

"Benchmark Offset": See **Energy Benchmark Offset**;

"Benchmark Ratio": See **Energy Benchmark Ratio**;

"Business Day" see **WPDRS Business Day**;

"CER" means the Commission for Energy Regulation;

"Capacity Baseline Level" is the value defined by EirGrid based on information provided by **MRSO** and **ESB CS** and notified to **Suppliers** in respect of a **Customer** designated the **"Capacity Baseline Level"** for that **Customer.** Also referred to as the "**Baseline"**;

"Committed Level" means the level of demand that the **Customer** commits not to exceed during the **Delivery Period**;

"Committed Level Variation Form" is the form available from EirGrid which must be used by Customers who wish to notify EirGrid through their **Supplier** of a change to their **Committed Level**;

"Committed Quantity" means the difference between the **Baseline** and the **Committed Level**;

"Customer" means an end user of electricity, supplied by a licensed **Supplier**;

"Delivery Period" means the period between 17:00 – 19:00 on **WPDRS Business Days** between 1st November 2007 and 21st March 2008 inclusive. The period in which "**Designated Customers**" will be required to reduce their load or increase exports;

"Designated Customer" means a **Customer** whose application to participate in the **Scheme** has been accepted. Such a **Customer** will be deemed to be designated under the **Scheme** by EirGrid;

"DSO" means the Distribution System Operator;

"Emergency Committed Level Variation Form" is the form available from EirGrid which must be used by **Customers** who wish to notify EirGrid through their **Supplier** of an emergency change to their **Committed Level** – conditions for submission are listed above;

"Energy Benchmark Offset" means the value defined by EirGrid and notified to **Suppliers** in respect of an **Exporter** designated the **Energy Benchmark Offset**;

"Energy Benchmark Ratio" means the value defined by EirGrid and notified to **Suppliers** in respect of a **Customer** designated the **Energy Benchmark Ratio**;

"Energy Benchmark" is calculated on each **WPDRS Business Day** for the duration of the **Scheme** daily basis as follows:

For **Exporters**:
(Average half-hourly consumption between 09:00 – 16:00 & 20:00 – 22:00 + **Energy Benchmark Offset**)

For all other customers:
(Average half hourly consumption between 09:00 – 16:00 & 20:00 – 22:00) * **Energy Benchmark Ratio**

"ESB CS" means ESB Customer Supply;

"Exporter" means a **Customer** who have the facility to export load from their site, and have the appropriate licenses to export, and the relevant requirements necessary to trade electricity in the market, will be able to avail of payments through this **Scheme** should they be in a position to increase their exported load;

"Interval Meter" a quarter-hourly revenue standard meter;

"Market" see **SEM**;

"MRSO" means Meter Registration System Operator;

"Profile Payment" means the payment due to a **Designated Customer** for a change in their energy profile over the **Delivery Period**;

"Profile Payment Rate" means the rate for the Profile Payment which will be defined in the "Published Price for **WPDRS** 2007/08" to be published in early October 2007;

"Published Price" means the price that will be paid for the WPDRS in 2007/08 and will be published by the **CER** in the "Published Price for **WPDRS** 2007/08";

"Rebate" means a rebate that is paid by a **Designated Customer** if they breach their **Committed Level** during the **Delivery Period**;

"Rebate Rate" means the rate for the **Rebate** which will be defined in the "Published Price for **WPDRS** 2007/08" which will be published by **CER** in early October 2007;

"Reliability Payment" means the payment due to a **"Designated Customer"** for reliable delivery of the **"Committed Quantity"** for the duration of the **"Delivery Period"**;

"Reliability Payment Rate" means the rate for the **Reliability Payment** which will be defined in the "Published Price for **WPDRS** 2006/07" which will be published by **CER** in early October 2007;

"Rules" means the **Rules** of the **WPDRS,** contained in this document;

"SEM" means the Single Electricity Market;

"Scheme" means the **"Winter Peak Demand Reduction Scheme"**;

"Supplier" means a licensed **Supplier** of electricity;

"Total Reliability Payment" means the total of the daily **Reliability Payments** less the total of the **Reliability Rebates,** to an Interval Metered **Designated Customer** in a given month;

"Total Payments" means the sum of (**Reliability Payments** + **Profile Payments**) payable to the **Designated Customers** each month;

"Trading Period" means a period of thirty minutes duration ending on each hour or at half-past the hour;

"Winter Peak Demand Reduction Scheme" means the **Scheme** described in this document, developed by EirGrid and approved by CER, designed to encourage **Customers** to reduce their consumption, or increase exports between 17:00 and 19:00 on **WPDRS Business Days** between 1st November 2007 and 21st March 2008.

"WPDRS" means the **Winter Peak Demand Reduction Scheme**;

"WPDRS Business Day" means any day other than a Saturday, Sunday, a public holiday in the Republic of Ireland, or those days between Christmas Day and New Years Day. For the avoidance of doubt, a complete list of days deemed to be **WPDRS Business Days** for the purposes of **WPDRS** in 2007/08 Season is given in Annex D;

Annex B   Payment Calculation Procedure

INTRODUCTION

Payments under the **WPDRS** will be in two parts;
- a **Reliability Payment** per day for reliable delivery; and
- a **Profile Payment** for every unit of demand reduction delivered.

A rebate mechanism has been designed which will be implemented should a **Designated Customer** fail to provide the **Committed Level** of demand reduction.

The **Scheme** requires an estimate of what each **Customer's** consumption would have been over the **Delivery Period** had the **Customer** not participated in the **Scheme**.

The estimate of **Customers'** consumption without demand response will be expressed in terms of a **Capacity Baseline Level** (**Baseline**) for the **Reliability Payment**; and an **Energy Benchmark** (**Benchmark**) for the **Profile Payment**. *Refer to Annex C for details on how these are calculated.*

The **Baseline** and the **Energy Benchmark Ratio** or **Energy Benchmark Offset** (in the case of **Exporters**) will be allocated to the **Customer** by EirGrid, and the **Customer** will be required to indicate the level of load reduction that they will be able to provide by assessing the level of demand that is capable of being switched off or replaced by on-site generation during the **Delivery Period.**

RELIABILITY PAYMENTS

The **Baseline** will be based on the expected demand in MW over the winter period. This figure will be defined in advance for each **Customer**, and will be constant for the duration of the **Scheme** in the 2007/08 season.

Designated Customers will commit to a reduced demand level (the **Committed Level**) during the **Delivery Period**. **Reliability Payments** will be based on the difference (in MW) between the **Committed Level** and the **Baseline**. This difference will be known as the **Committed Quantity**. For each **Trading Period** during the **Delivery Period** if a **Customer's** demand remains below the **Committed Level** allowing for a tolerance of 2% of the **Committed Quantity,** the participant will earn a **Reliability Payment** in that **Trading Period**.

Reliability Payment *(per Trading Period)* = (**Baseline** − **Committed Level**) * **Reliability Payment Rate** * 0.5 hours

BREACH OF COMMITTED LEVEL: REBATE

For each **Trading Period** during the **Delivery Period** in which a **Designated Customer's** demand expressed in MW, exceeds the **Committed Level** allowing for a tolerance of 2% of the **Committed Quantity**, a **Reliability Payment** will not be paid.

In addition, for any **Trading Period** during the **Delivery Period** in which the **Committed Level** is breached, a rebate will be applied, linked to the amount in MWh by which the **Committed Level** is breached. The **Rebate Rate**, per MWh of breach, will be equal to ten times the **Reliability Payment Rate**. The maximum **Rebate** per **Trading Period** will be limited to a value of five times the **Reliability Payment** that the **Designated Customer** could have earned in the **Trading Period** in which the **Committed Level** was breached.

Maximum **Rebate** *(per Trading Period)* = 5 * (**Baseline** − **Committed Level**) * **Reliability Payment Rate** * 0.5 hours

The **Total Reliability Payment** to a **Designated Customer** in a given month will be the total of the **Daily Reliability Payments** less the total of the **Rebates** for that month.

PROFILE PAYMENT

The **Energy Benchmark** (the **Benchmark**) reflects energy consumption measured in MWh within the **Delivery Period**.

The daily **Profile Payment** is calculated as follows:

1.   Calculate the daily **Energy Benchmark**
   i)   For **Exporters**:
        Energy Benchmark = (Average half-hour consumption between 09:00-16:00 and 20:00-22:00 + **Energy Benchmark Offset**)

   ii)   For all other **Customers**:
        Energy Benchmark = (Average half-hour consumption between 09:00–16:00 and 20:00–22:00) * **Energy Benchmark Ratio**

2.   Calculate the **Profile Payment**
Note: **Profile Payments** are only made in respect to **Trading Periods** during the **Delivery Period**
        Profile Payment *(per Trading Period)* = (**Benchmark Energy** – consumption in **Trading Period** in MWh) * **Profile Payment Rate**

The **Profile Payment** is calculated for each of the four **Trading Periods** between 17:00 and 19:00 and the results are summed to give the total **Profile Payment** for the day.

A cap will be placed on the amount that each **Customer** can receive in **Profile Payments** in each **Trading Period**. **Profile Payments** in each **Trading Period** will be paid up to 50% in excess of the **Profile Payment** that would have been made had the **Designated Customer** reduced their consumption by the **Committed Quantity** throughout the period. The **Profile Payment** cannot be negative in any **Trading Period**.

Maximum **Profile Payment** *(per Trading Period)* = 1.5 * (**Baseline** - **Committed Level**) * **Profile Payment Rate** * 0.5 hours

PROTECTION OF THE PROFILE PAYMENT FROM THE RELIABILITY REBATE.

In general, only the **Reliability Payments** will be subject to the **Rebate.** However, where a **Designated Customer** fails to meet the standard required to earn a **Profile Payment** and avoid a **Rebate** under the terms of the **Scheme** outlined in the **Rules** on five or more days in a calendar month, the **Profile Payment** will become exposed to the **Rebate**. (see "**Total Payment**" section below for further detail).

TOTAL PAYMENT

Profile Payment *Protected: -* ***Designated Customer*** *meets required minimum standard of behaviour*

If the Customer succeeds in meeting the standard required to earn a **Profile Payment** and avoid a **Rebate** under the terms of the **Scheme** outlined in the **Rules** on a sufficient number of days in a calendar month, then the Total Payment for that month shall be:

Total Payment = Total Reliability Payment + Total Profile Payment.

where the **Total Reliability Payment** can never be less than zero. (If the sum of the daily **Rebates** exceeds the sum of the daily **Reliability Payments**, the Total **Reliability Payment** will be set to zero). Therefore, irrespective of the level of **Rebates**, the **Customer** will receive all of the **Profile Payment** for that month.

***Profile Payment** Not Protected: - **Designated Customer** does not meet required minimum standard of behaviour*

If a **Designated Customer** has failed to meet the standard required to earn a **Profile Payment** and avoid a **Rebate** under the terms of the **Scheme** outlined in the **Rules** on five or more days in a Calendar month, then the Total Payment for the month shall be:

Total Payment = Total **Reliability Payment** + Total **Profile Payment**.

where the Total **Reliability Payment** can be less than zero. Therefore, if the sum of the daily **Rebates** are greater than the total monthly **Reliability Payments**, the **Customer** will lose some or all of the **Profile Payment** for that month.

If the **Total Payment** is less than zero for a month, the **Customer's Total Payment** will be set to zero for the month.

FURTHER DETAILS

For further details relating to the calculation of **Baseline** and **Benchmarks**, please see Annex C - **Capacity Baseline Level** and **Energy Benchmark** calculation Methodology

Annex C   Capacity Baseline Level and Energy Benchmark calculation Methodology

This Annex sets out the process by which **Baseline Capacity Levels** and **Energy Benchmark Ratios** or **Energy Benchmark Offsets** will be calculated for use in the **WPDRS** for 1st November 2007 – 21st March 2008.

INTRODUCTION

The scheme requires two measures of historic consumption by **Designated Customers:**

- A **Baseline** (MW)

AND

For **Exporters:**

- A **Benchmark Offset** (MWh on a half-hour basis) that is the difference in average consumption between the peak delivery period (17.00-19.00) and a reference period (09.00-16.00 and 20.00-22.00)

For all other **Customers:**

- A **Benchmark Ratio** of consumption in the peak delivery period (17.00-19.00) compared with a reference period (09.00-16.00 and 20.00-22.00).

The rules for inclusion in the scheme require each **Customer** to have appropriate interval metering, with appropriate historic meter data available. **Customers** without historic data will be treated by exception.

The basic unit for inclusion in the scheme is one **Customer** at a single site – this is equivalent to a single MPRN entry in the settlement process.

There are three **Customer** types, each having a different method of calculating **Baselines** and **Benchmark Ratios/Offsets**.
1. **Interval Metered Customers** and **Interval Metered Exporters** who did not participate in the **WPDRS** last winter
2. **Interval Metered Customers** and **Interval Metered Exporters** who have not participated in the **WPDRS** before and who do not have one full month of Interval Metering available from last winter, but who do have maximum demand metering available for the period October 2006 – March 2007.
3. **Interval Metered Customers** and **Interval Metered Exporters** who participated in the WPDRS last winter from November 2006 – March 2007

The methods 1, 2, and 3 above, for calculating the **Baseline** and **Benchmark Ratio/Offset** for each category of **Customer** or **Exporter** are discussed in turn below.

1. INTERVAL METERED CUSTOMERS AND EXPORTERS WHO DID NOT PARTICIPATE IN THE WPDRS LAST WINTER

This methodology is the same as that used for **Interval Metered Customers** for last winter's **WPDRS**, except that the metered data examined is between October 2006 and March 2007 inclusive and that a new procedure will be used to calculate **Exporters' Benchmark Offset**.

Many **Customers** were historically on a peak reduction programme such as **WDRI**, and some of these customers therefore actively reduced demand at the same winter peak periods on **WPDRS Business Days**. These **Customers** should not be penalised for having delivered demand reductions in the previous year, so to the extent that they can be identified, their **Benchmark Ratio/Offset** and **Baseline** will be taken from consumption in the shoulder months of October 2006 and March 2007.

Process

Stage I: Categorise Customers by their historic data

Category A (complete data set available):
Identify those **Customers** with a complete set of historic data for **WPDRS Business Days** in the period 1st October 2006 to 31st March 2007.

Category B (complete for November – February winter period):
Identify any additional **Customers** with a complete set of historic data for the period 1st November 2006 to 28th February 2007. These **Customers** will be eligible but they will have no consideration of whether they were previously on a winter peak reduction scheme (e.g. **WDRI**).

Category C (partial data set available):
Category C1: Identify other **Customers** for whom data is unavailable at the start of the period but for whom there is at least one month of **WPDRS Business Day** data up to and including 28th February 2007.

Category C2: Identify **Customers** whose data set starts normally but is not complete but which has at least one complete month of continuous **WPDRS Business Day** data in the November to February winter period.

*These **Customers** will be eligible but they will have no consideration of whether they were previously on a winter peak reduction scheme (e.g. **WDRI**).*

Category D (insufficient):
Those **Customers** for whom there is less than one month's data available. These customers will not have **Baselines** or **Benchmark Ratios/Offsets** set unless further data is provided.

*Stage II: **Baselines** (winter and separately shoulder months)*

For each **Customer** in categories A, B and C above, calculate the 80th percentile of half-hourly demand (converted to average MW levels) for peak half-hours (17.00-19.00) on **WPDRS Business Days** in the periods:
i) Winter: November 2006 – February 2007 (categories A, B and C); and
ii) Shoulder: October 2006 and March 2007 (category A only).

Calculate the mean half-hourly demand (converted to average MW levels) for peak half-hours (17.00-19.00) in the same winter and shoulder **WPDRS Business Day** periods:

In cases where the mean demand is greater than the 80th percentile set the **Baseline** to be the mean level of consumption.

*Stage III: **Benchmark Ratio** and **Offset***

*For **Exporters**:*
*For each **Exporter**, for winter **WPDRS Business Days**, calculate the average level of half-hourly consumption in the peak **Delivery Period** (17.00-19.00) in MWh and calculate the average level of half-hourly consumption in the reference period (09.00-16.00 and 20.00-22.00) in MWh, the difference between the peak consumption level and the reference consumption level is defined as the **Energy Benchmark Offset**.*

*For all other **Customers**:*
For each **Customer**, for winter **WPDRS Business Days**, calculate the ratio of consumption in the peak **Delivery Period** (17.00-19.00) compared with a reference period (09.00-16.00 and 20.00-22.00):

i) Winter: November 2006 – February 2007 (categories A, B and C); and
ii) Shoulder: October 2006 and March 2007 (category A only).

*Stage IV: Identify **Customers** who reduced demand at winter peaks (e.g. **WDRI**)*

For all **Customers** in category A (complete data from 1st October 2006 to 31st March 2007), review the **Benchmark Ratio** and **Baseline** from the shoulder months October and March against the winter months November – February:

For **Exporters**:
If the winter **Benchmark Offset** is at least 5% lower than shoulder **Benchmark Offset** and the winter **Baseline Level** is lower than shoulder **Baseline Level**;
OR
If the winter **Baseline** is at least 10% lower than shoulder **Baseline** and the winter **Benchmark Offset** is lower than shoulder **Benchmark Offset** (indicating load reduction at winter peak), then assume the Customer was previously reducing demand at winter peaks (e.g. through **WDRI**), otherwise assume they were not.

For all other **Customers**:
If the winter **Benchmark Ratio** is at least 5% lower than shoulder **Benchmark Ratio** and the winter **Baseline Level** is lower than shoulder **Baseline Level**;
OR
If the winter **Baseline** is at least 10% lower than shoulder **Baseline** and the winter **Benchmark Ratio** is lower than shoulder **Benchmark Ratio** (indicating load reduction at winter peak), then assume the Customer was previously reducing demand at winter peaks (e.g. through WDRI), otherwise assume they were not.

*Stage V: Select appropriate **Baseline** and **Benchmark Ratio***

For **Customers** in category A identified as active in winter peak reduction (e.g. **WDRI**), use the **Benchmark Ratio** or **Benchmark Offset** in the case of **Exporters** and **Baseline** ii) Shoulder;
For all other **Customers** in categories A, B or C use the **Benchmark Ratio** or **Benchmark Offset** in the case of **Exporters** and **Baseline** i) Winter.

2.   INTERVAL METERED CUSTOMERS AND EXPORTERS WHO HAVE NOT PARTICIPATED IN THE WPDRS BEFORE AND WHO DO NOT HAVE ONE FULL MONTH OF INTERVAL METERING AVAILABLE FROM LAST WINTER, BUT WHO DO HAVE MAXIMUM DEMAND METERING AVAILABLE FOR THE PERIOD OCTOBER 2006 TO MARCH 2007.

This methodology is the same as that used for similar **Customers** for last winter's **WPDRS**, except that the metered data examined is between October 2006 and March 2007 inclusive. The **Customers** described in this method are described as MD Customers (i.e. **Customers** who had Maximum Demand metering installed during last winter).

Process

*Stage I: **Baseline***

The **Baseline** for each **Customer** will be set at 0.8 times the winter MD reading (the maximum of the Nov/Dec and Jan/Feb figures).

*Stage II: **Benchmark Ratio***

As last year, the **Benchmark Ratio** for each **Customer** who has their **Baseline** set using MD Data will be set with reference to the following table.

Baseline (MW)	Benchmark ratio
0 to 0.05	0.751907
0.05 to 0.1	0.812885
0.1 to 0.15	0.819479
0.15 to 0.2	0.88038
0.2 to 0.3	0.905884
0.3 to 0.4	0.90602
0.4 to 0.5	0.904736
0.5 to 0.75	0.915904
0.75 to 1	0.938014
1 to 1.5	0.96513
1.5 to 2	0.976852
2 to 2.5	0.971183
2.5 to 3	0.981933
3 to 4	0.984166
>4	0.993196

*Stage III: **Benchmark Offset***

For **Exporters**, the **Benchmark Offset** shall be set to zero if insufficient interval metered data exists.

3. INTERVAL METERED CUSTOMERS AND EXPORTERS WHO PARTICIPATED IN THE WPDRS LAST WINTER FROM NOVEMBER 2006 TO MARCH 2007

This methodology assigns **Baselines** and **Benchmark Ratios/Offsets** in a non-discriminatory fashion to **Customers** who participated in the scheme last year.

The scheme was operated until March 23rd in the 2006/2007 season, hence the shoulder months shall be defined as being October 2006 and April 2007 for the purposes of calculating the baselines of customers who previously participated in the scheme.

<u>Process</u>

*Stage I. Define the calculation process of the **Baseline** and the **Benchmark Ratio** and the **Benchmark Offset** for a defined historical meter period*

A historical meter period is either a winter period for a given year (November – February inclusive) or is a shoulder period (October and April).

Baseline

The **Baseline** is calculated as the 80th percentile of half-hourly demand (converted to average MW levels) for peak half-hours (17.00-19.00) on **WPDRS Business Days** in the defined historical meter period.

Calculate the mean half-hourly demand (converted to average MW levels) for peak half-hours (17.00-19.00) on **WPDRS Business Days** in the same defined historical meter period:

In cases where the mean demand is greater than the 80th percentile set the **Baseline** to be the mean level of consumption.

Benchmark Ratio

For **WPDRS Business Days** in the defined historical metered period, the **Benchmark Ratio** is calculated as the ratio of consumption in the peak **Delivery Period** (17.00-19.00) compared with a reference period (09.00-16.00 and 20.00-22.00).

Benchmark Offset

In the case of **Exporters**, for **WPDRS Business Days** in the defined historical metered period, calculate the average level of half-hourly consumption in the peak **Delivery Period** (17.00-19.00) in MWh and calculate the average level of half-hourly consumption in the reference period (09.00-16.00 and 20.00-22.00) in MWh, the difference between the peak consumption level and the reference consumption level is defined as the **Energy Benchmark Offset**.

*Stage II: Calculate **Benchmark Offsets** for **Exporters***
For **Exporters**, as the calculation of **Benchmark Offsets** is a new process, no **Benchmark Offset** will have been previously calculated for the **Exporters**. If an **Exporter** fulfils the conditions for rollover of historical parameters, its **Baseline** will be rolled-over by the method described in Stage III below. The **Benchmark Offset** will be calculated by the standard method and from the same historical meter data as the **Baseline** was originally calculated.

*Stage III: Categorise **Customers** by how their **Baselines** and **Benchmark Ratios** were assigned for last winter's **Scheme***

Category X (previous historical data defined from winter data):
Identify those **Customers** who had their **Baselines** and **Benchmark Ratios** calculated using historical winter meter data. This historical winter data may be meter data from 1st November 2005 to 28th February 2006 inclusive or historical winter data from 1st November 2004 to 28th February 2005 inclusive or from 1st November 2003 to 28th February 2004. **Baselines** and **Benchmark Ratios** calculated from historical data from before October 2005 will not be considered for roll-over or for use in the calculation of values in this year's **Scheme**.

Category Y (previous historical data defined from shoulder data):
Identify those **Customers** who had their **Baselines** and **Benchmark Ratios** calculated using the historical shoulder meter data. This historical shoulder data may be meter data from October 2005 and April 2006.

*Stage IV: Calculate **Baselines** and **Benchmark Ratios** for Category X Customers*

A Category X **Customer** will be given the **Baseline** and **Benchmark Ratio** (or **Benchmark Offset** will be recalculated in the case of **Exporters**) from last year's scheme unless:

- The historical data used in defining last year's **Baseline** and **Benchmark Ratio** is in the period before October 2005 in this case, the **Baseline** and **Benchmark Ratio** (or **Benchmark Offset** in the case of **Exporters**) will be calculated by Stage V below; *OR*

– The **Baseline** calculated from the defined historical metered period of winter 2006/2007 is greater than the **Baseline** from last year's scheme, the **Customer** then receives both the **Baseline** and the **Benchmark Ratio** (or **Benchmark Offset** in the case of **Exporters**) from the defined historical metered period of winter 2006/2007; *OR*

– The average consumption measured between 09.00-16.00 and 20.00-22.00 on all **WPDRS Business Days** in the winter 2006/2007 period is 10% less than the average consumption measured between 09.00-16.00 and 20.00-22.00 on all **WPDRS Business Days** in the winter 2005-06 period, then both the **Baseline** and the **Benchmark Ratio** (or **Benchmark Offset** in the case of **Exporters**) will be calculated by Stage V below; *OR*

– The average consumption measured between 09.00-16.00 and 20.00-22.00 on all **WPDRS Business Days** in the winter 2005/2006 period is 10% more than the average consumption measured between 09.00-16.00 and 20.00-22.00 on all **WPDRS Business Days** in the winter 2005-06 period, then both the **Baseline** and the **Benchmark Ratio** (or **Benchmark Offset** in the case of **Exporters**) will be calculated by Stage V below, unless the resulting **Baseline** is lower than the **Baseline** from the last year's **Scheme**, in which case the **Baseline** and **Benchmark Ratio** (or **Benchmark Offset** will be recalculated in the case of **Exporters**) from last year's scheme will still apply.

*Stage V: Calculate **Baselines** and **Benchmark Ratios** for Category Y **Customers***

A Category Y **Customer** will be given the **Baseline** and **Benchmark Ratio** calculated from the defined historical metered period of shoulder 2006/2007 unless:

If the **Baseline** calculated from the defined historical metered period of winter 2006/2007 is greater than **Baseline** calculated from the defined historical metered period of shoulder 2006/2007, the **Customer** then receives both the **Baseline** and the **Energy Benchmark Ratio** from the defined historical metered period of winter 2006/2007.

Annex D: List of WPDRS Business Days for WPDRS 2006/07

1st November 2007 – 21st March 2008.

(Shaded days are "**WPDRS Business Days**")

NOVEMBER 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	16	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

DECEMBER 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

JANUARY 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	

MARCH 2007

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Annex E Outline of "Published Price for WPDRS 2007/08" Document

WPDRS 2007/08 Published Price

This document contains the details of the rates for the Winter Peak Demand Reduction Scheme, and constitutes the document referred to in "Winter Peak Demand Reduction Scheme 2007/08 – Rules" document published by EirGrid and CER.

Published Prices.

The Published Prices are as follows:

- **Reliability Payment Rate**: € 216 / MWh

- **Rebate Rate**: € 2160 / MWh

- **Profile Payment Rate**: € 97 / MWh

These rates will be applicable for the duration of the Scheme (1st November 2007 to 21st March 2008) unless otherwise approved by the Commission.