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Thursday, 19th November 2009

Re: Transmission Loss Adjustment Factors 2010 Consultation Paper

John/Sarah,

Once again, there a large swing downwards for all regions that have wind power connected, larger than was even predicted by the 2011 report completed by Eirgrid last year. This demonstrates once again that the TLAFs are unpredictable (even by the people who make the rules and write the software), and as such do not (and never have) represented a usable locational signal.

It is vital that the regulator completes a thorough cost benefit analysis, as the high level analysis completed by IWEA strongly suggests that a uniform TLAF (even if the volatility was removed) would result in lower overall costs of running the system.

If you are going to apply a TLAF with any locationalilty at all, it needs to be strong enough to cause some projects to not proceed to build in areas with the lowest TLAFs, so that the network can then be redesigned and savings realised. Is it really proposed that the signal is strong enough to cause 30-50% of Gate 3 offers to be uneconomic to the point that people can't accept their offers? If so, we should all save both developers and system operators a lot of cost and effort and delete those offers from the Gate 3 list now.

If not, the only plausible alternative is to set both TLAF and TUoS to a uniform level for non-dispatchable plant. It really is that simple.

Regards,

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Peter Harte