

Sirs,

I write in response to the above proposed decision. Your Energy is an independent wind energy developer with interests in a number of Northern Ireland wind energy projects. Acting on behalf of the Mistral investment fund, we acquired the Garves wind farm following its award of planning permission and developed it to Financial Close, this being the first wind energy project to be financed in Northern Ireland following the introduction of the SEM. This experience has given us a good understanding of the requirement of lenders when financing wind energy projects.

The current situation regarding the volatility of TLAF's is clearly not assisting in the the development of energy projects across the entire SEM, however the complete removal of locational signals that has been proposed goes far beyond the damping of volatility. We are of the opinion that an "intermediate" solution to the issue is undesirable and the sequential changes to TLAF that are envisaged in the proposed decision will significantly harm investor confidence and could lead to a hiatus in development until an enduring solution is identified and implemented.

The consultation process that has led to this proposed decision has been confusing and contradictory, with TSO's rejecting uniform TLAFs on the basis that they would reduce dispatch efficiency and are incompatible with the SEM High Level Design. We do not believe that an appropriate consultation has been undertaken on the proposed decision (which has effectively been accepted by the extension of the deadline and late publication of papers) and feel that the action of taking a decision in this manner will further damage investor confidence in regulatory practice in the SEM.

In our opinion the RA's should abandon the proposed decision and instead focus their efforts on identifying and evaluating appropriate long-term solutions to the issue of TLAF volatility, which should be subject to a clear and comprehensive consultation process.

Regards

Steve Hunter
Senior Development Manager

Your Energy
The Old School Offices
2, Dalmahoy
Kirknewton
Edinburgh EH27 8EB
T + 44 (0131) 3350910
M + 44 (07770) 740716