



Electricity Supply Board

Clanwilliam House, Clanwilliam Court, Lower Mount Street, Dublin 2.

Phone: 1850-372 372 **Website:** www.esb.ie

James McSherry
Commission for Energy Regulation
The Exchange
Belgard Sq North
Tallaght Dublin 24

15th November 2010

Andrew McCorrison
NIAUR
Queens House
14 Queens St.
Belfast
BT1 6ER

Proposition Paper

**Principles of Dispatch and the Design of the Market Schedule in
the T & S Code**

SEM-10-060

Dear James/Andrew,

ESB Customer Supply (ESBCS) welcomes the opportunity to respond to this important consultation and reiterate our support for the introduction of Wind Generators onto the system for both environmental and economic reasons.

As a general response, we support the five themes outlined in the introduction to the proposed position paper, and in particular the SEM Committee's intention to revisit the fundamentals of the SEM design only if there is a requirement to do so.

The Twelve Specific Issues

Issue 1 – Alignment of the Market Schedule and Dispatch and Issue 2 – Allocation of Infra Marginal Rents Behind Constraints Consultation Paper:

ESBCS welcomes the fact that the advice from the TSOs is that the divergence between the Market Schedule and dispatch is manageable in the short term and looks forward to reviewing the framework for assessing “material harm” that is due to be published at the end of the year.

With regard to the options outlined under Issue 2, ESBCS considers that at this stage, the radical change envisaged in Option 1 cannot be supported. Further consultation closer to the time when decisions on this issue will be made is required.

Issue 3 – Least Cost Dispatch

ESBCS agrees with the SEMC’s proposed approach.

Issue 4 – Interpreting Priority Dispatch

As outlined in the paper, there is currently no regulatory or legal basis on which the principle of priority dispatch can be amended at this time and as such priority dispatch should continue to apply.

Issue 5 – Information Provision by TSOs and Issue 6 – Grid Code

ESBCS agrees with the discussion in the paper and with the SEMC position on both of these issues.

Issue 7 – Deemed Firm Access

ESBCS does not agree with the SEMC position on this issue. ESBCS believes that developers should be able to avail of deemed firm access where there is a delay in the provision of adequate system reinforcements.

Issue 8 – Hybrid Plant and Priority Dispatch

There is insufficient detail provided on the definition of how hybrid plant should be defined and how it should be treated to form a specific view at this stage. ESBCS would welcome further clarity on this subject and in particular on how the treatment of hybrid plant will affect other renewable / priority dispatch plant.

Issue 9 – Determination of SMP when Demand met by Price Takers and Issue 10 – Quantity of Generation Paid PFLOOr

ESBCS agrees with the SEMC’s proposed approach on both of these issues.

Issue 11 – Tie Breaks

ESBCS agrees with the SEMC’s proposed approach on this issue.

Issue 12 – Treatment of Variable Price Takers in the Market Schedule

ESBCS agrees that VPTs should be limited in the Market Schedule in the way described in the consultation document, and looks forward to reviewing the revised rules for the treatment of this type of plant when they are published.

If you have any queries relating to our response please contact me.

Yours sincerely,

Gerry McDonald,
ESB Customer Supply.