

Ballybane Windfarms Ltd
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By email to jburke@cer.ie

SEM Committee,
c/o Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

15 November 2012

**Re: SEM-12-090 Treatment of Curtailment in Tie-Break Situations – Proposed Decision
Glanta Commons Wind Farm, Bantry County Cork**

Dear SEM Committee Members,

I refer to the proposed decision paper SEM-12-090 in relation to the treatment of curtailment in tie break situations. I am Director of Ballybane Windfarms Ltd (BWL) and welcome the SEM Committee's proposed decision to implement 'pro-rata' however BWL reject the idea of removing compensation

BWL operates the 27.95MW Glanta Commons Wind Farm near Bantry County Cork. The wind farm is made up of 19.55MW pre-Gate capacity and 8.4MW Gate 2 capacity. The entire 27.95MW has firm access. At great expense, BWL has advanced plans to extend the wind farm by 11.5MW. To this end, we have:-

1. Accepted the grid connection offer in February 2011 for the Gate 3 connection (11.5MW - DG222 refers) and as of December 2011 has paid the first and second stage payments. It will use the existing grid connection infrastructure, so there will be no delays associated with the installation of wind farm connection.
2. Entered into a number of contracts and options for the lease and purchase of lands.
3. Carried out environmental impact assessment and prepared a planning application for the extension. Planning permission was granted by An Bord Pleanala in August 2010 for this extension.
4. Agreed commercial terms with the turbine supply company.
5. Carried out energy yield assessments.
6. Applied to Forestry Services for felling licences needed for the construction for the project.

Since the SEM Committee decision of 21 December 2011, the project has stalled. With the proposed decision to treat curtailment on the 'pro-rata' basis BWL hopes to move the project towards completion, but is concerned that the eventual removal of compensation to generators for curtailment will undermine investor confidence and put the project in jeopardy.

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We support the IWEA response to this consultation and would like to reiterate that curtailment is a critical matter to be addressed to provide a stable policy framework to allow the industry on the island to move forward. We welcome the SEM Committee proposed decision that curtailment be allocated on a pro rata basis however we strongly oppose the proposal to reduce and remove the levels of compensation to generators for curtailment. Our concerns are primarily regarding the discriminatory nature of the proposal and the retrospective application of the changes, as well as determining one aspect of the future market design without considering the market in its entirety. Such a retrospective change would be very damaging to investor confidence and undermine any confidence in a stable policy framework.

We would also like to note that the proposed decision is in contradiction to the recent Material Harm decision which clearly set out a number of triggers to monitor material harm to the consumer. The proposed decision paper outlines a quantified impact that does not justify harm to the consumer.

We support the position taken by IWEA on the proposed decision put forward and also continue to support the IWEA proposal to vary Option 3 ("Option 3b") which was previously put forward. We believe this is a solution that represents an industry compromise position which importantly meets all of what we understand as the SEM Committee key objectives and strikes the right balance between addressing the curtailment issue and enabling the renewables industry advance in line with Government and EU policy and targets. We believe "Option 3b" as set out can be supported by the SEM Committee and the industry as well as importantly providing the least impact on the consumer.

In conclusion we would like to thank the SEM Committee for the opportunity to engage on this issue and to highlight the particular importance of this consultation given the significant implications it has for the viability of the wind sector.

Yours sincerely

Paudie Murnane

Mr. Paudie Murnane
For & on behalf of Ballybane Windfarms Ltd