

**Power NI Energy Limited
Power Procurement Business (PPB)**

**Trading & Settlement Code
Annual Operational Parameters for 2014**

Consultation Paper

SEM-13-062

Response by Power NI Energy (PPB)

16 October 2013.



Introduction

Power NI Energy – Power Procurement Business (“PPB”) welcomes the opportunity to respond to the consultation paper on the Trading & Settlement Code Annual Operational Parameters for 2014.

Comments

1. Parameters for the determination of Required Credit Cover.

PPB has no reason to dispute SEMO’s analysis and therefore agree that the existing values should be retained for 2014.

2. MSP Software Penalty Cost Parameters

PPB has no reason to dispute SEMO’s analysis and therefore agree that the existing values should be retained for 2014.

3. Annual Capacity Exchange Rate

We note that there is no consultation on the Annual Capacity Exchange Rate and that the exchange rate will be published in December, in line with the 15 November 2012 decision (SEM-12-106) for 2014. We have disagreed with this principle but note the decision has already been taken for this three year period.

4. Parameters used in the calculation of Uninstructed Imbalances

PPB agrees that the current parameters should remain for 2014.

5. Flattening Power Factor

PPB again welcomes the recognition by the TSOs that market participants seek to be available and agree that generator units do not readily react to the ex-post capacity signal. PPB has, since the commencement of the SEM, consistently expressed the view that generator units generally have little scope to respond to ex-post signals and this is evident from the TSOs’ analysis.

PPB therefore agrees with the TSOs that the current FPF value of 0.35 should be retained for 2014.