



By email

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Our Ref: WM-029-11-923

RE: Ongoing Consultations on SEM Committee papers SEM-21-026 and SEM-21-027

Dear Noel and Steven

Thank you for your letters of 26 May and 3 June regarding the concerns Wind Energy Ireland and RenewableNI Members have raised in relation to SEM-21-026 and SEM-21-027.

We have set out a response in relation to the matters you have raised below and are available for further discussions to help inform consultation responses and the next steps in the SEM Committee's decision-making process in this complex and important area.

Treatment of constraints for new generators

The Regulatory Authorities (RAs) published the recent Consultation on 'Dispatch, Redispatch and Compensation Pursuant to Regulation (EU) 2019/943' and Proposed Decision on 'Treatment of New Renewable Units in the SEM' at the same time in April 2021 given the related impact of a

number of proposals in each paper and to allow respondents to the Consultations to have full sight of the Regulatory Authorities' proposals.

The RAs published SEM-21-027 as a proposed Decision given the more focused set out principles outlined in the paper to be progressed through workshops and submissions from the TSOs, which will be given consideration along with the concerns you have raised and consultation responses in reaching a final decision in this area. While SEM-21-027 was published as a proposed decision, this was more so driven by the reasonably narrow range of options set out by the RAs, and should not be viewed as any more of a final position than set out in SEM-21-026.

In relation to constraints in particular, a number of considerations in Section 2.2 of SEM-21-026 concerning the definition of market based and non-marked based redispatch impact on the proposals on the treatment of constraints in SEM-21-027. SEM-21-026 proposes, based on consideration of responses received to SEM-20-028, that constraints applied to units with priority dispatch are considered non-market based and to units without priority dispatch are considered market based.

The RAs acknowledge the important concerns you have raised in relation to the implications of these proposals and will account for these as part of the decision-making process.

Based on the proposal for treatment of constraints in SEM-21-027, the RAs did not outline any specific changes to the BMPCoP, given the fact that a separate process is in place to make changes to this, but stated *'It is acknowledged that the market changes outlined in this Proposed Decision may require the BMPCoP to be considered to account for the specific characteristics of new renewable technologies without priority dispatch, including their ability to exercise market power. The RAs are not proposing any changes to the application of the BMPCoP at this time but will keep this under review.'* For the avoidance of doubt, we welcome feedback on this proposed treatment, including the application of market-based or non-market based redispatch to such units. The RAs will clearly consider any potential alternatives to its proposal on the application of constraints, which are compliant with Regulation 943/2019.

Currently, it is the RAs' view that it would be most beneficial to initiate a review of the BMPCoP once decisions have been taken on the definition of market based and non-market based redispatch but the RAs welcome further engagement on the timelines for this process. This review

will need to consider the modalities of the submission of Commercial Offer Data, both complex and simple, by non-Priority Dispatch renewable units to facilitate TSO scheduling and dispatch, and also recognising the importance of SEMC policy relating to local market power.

Compensation for non-market based redispatch

The RAs acknowledge that many of the proposals outlined in SEM-21-026 and SEM-21-027 interact with a number of other areas including firm access policy, development of market systems to accommodate new renewable generation and the BMPCoP. While there is a limit to the scope of these particular Consultations, we can assure you that the implications of Articles 12 and 13 are being considered more broadly.

In terms of the proposals put forward in relation to Article 13(7), the RAs will consider all responses received to the Consultation and are open to further engagement with stakeholders to discuss these issues and appropriately implement Article 12 and 13 of the Regulation in the SEM.

Yours sincerely,

No signatures, issued by email only

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