



Commission for Regulation of Utilities,  
The Exchange,  
Belgard Square North,  
Tallaght,  
D24 PXW0

9<sup>th</sup> July 2021

**Emailed to:** [gkelly@cru.ie](mailto:gkelly@cru.ie) ; [Gary.Mccullough@uregni.gov.uk](mailto:Gary.Mccullough@uregni.gov.uk)

**RE: Response to SEM Committee consultations on the Proposed Decision on Treatment of New Renewable Units in the SEM (SEM-21-027) and consultation on Dispatch, Redispatch and Compensation Pursuant to Regulation (EU) 2019/943 (SEM-21-026)**

Ørsted Onshore Ireland welcomes the opportunity to provide feedback on the consultations relating to treatment of new renewables in SEM and the implementation of articles 12 and 13 of the Regulation (EU) 2019/943 published by the SEM Committee.

Ørsted is a global renewable energy company with operations in Europe, Asia-Pacific and North America. Ørsted develops, constructs, owns and operates offshore and onshore utility-scale wind farms, solar, energy storage facilities and bioenergy plants and provides energy products to its customers. Ørsted Onshore's Irish portfolio consists of over 300 MW of operating wind capacity and our ambition is to increase this by more than 600 MW in the coming decade. Ørsted employs 6,500 people globally, including over 80 people in our Cork office across operating, development, construction and wholesale power marketing capabilities.

Ørsted Onshore Ireland supports the Wind Energy Ireland (WEI) combined response to both SEM-21-026 and SEM-21-027 consultations. We share WEI's view that the legal requirements of the Clean Energy Package need to be implemented in full, specifically the right of all qualifying generation to compensation at the level of financial support for downwards redispatch, including both curtailment and constraint.

The I-SEM market was required by European law to be compliant with Article 13 of the Clean Energy Package ("CEP") from 1st January 2020. Therefore, generators who have been subject to non-market based redispatch will need to be compensated from 1st January 2020, as to do otherwise is in breach of EU law.

Ørsted shares WEI's view that all downward redispatch of renewable generation in the SEM has been non-market based and therefore should be fully compensated up to the value of the unit's financial support.

Ørsted acknowledges that a market-based solution for redispatch of renewables is needed in the long-term. However, due to the current lack of competition in the market and the non-trivial changes required to the



System Operator's scheduling and dispatch systems, redispatch of all renewables should continue to be treated as non-market based and be applied on a pro-rata basis.

For the avoidance of doubt, Ørsted's support of a non-market based approach to the constraint of renewables is fully reliant on compensation being paid up to the level of financial support for downwards redispatch, as stipulated in the Regulation (EU) 2019/943.

A firm connection agreement is also a requirement for compensation of non-market based redispatch, under Article 13(7) of the Regulation. Ørsted requests that greater certainty is given in relation to the timeframe for delivery of a firm connection. We advocate the implementation of deemed firm access dates to incentivise delivery of grid infrastructure, provide revenue certainty to developers and to deliver Ireland's climate targets.

Ørsted believes that a renewable asset's firmness should have no bearing on compensation for curtailment, only for constraint, and as a result, both firm and non-firm generation should be compensated under Article 13 for curtailment.

Ørsted supports the positions taken by WEI regarding the application of Articles 12 and 13 of the CEP and wish to reiterate that the points raised in their consultation response are extremely important for the efficient and economic delivery of new renewable projects and meeting 2030 targets.

We would like to thank the SEM Committee for the opportunity to engage on this matter and look forward to continuing our work with you in future.

Yours sincerely,

Kieran White

A handwritten signature in black ink, appearing to read 'K. White', written in a cursive style.

VP, Managing Director Ørsted Onshore, Ireland & UK  
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