



The Single Electricity Market (SEM)

The Value of Lost Load, the Market Price Cap and the Market Price Floor

AIP/SEM/07/381

ESB Power Generation Response

ESB Power Generation (PG) welcomes the recent publication of The Single Electricity Market, The Value of Lost Load, the Market Price Cap and the Market Price Floor, AIP/SEM/07/381 by the Commission for Energy Regulation (CER) and the Northern Ireland Authority for Utility Regulation (NIAUR).

The Market Price Cap:

PG are concerned that this is a very price cap, PG had expected this to be circa €500/MWh. In light of the high price cap PG requests that the Regulatory Authorities (RAs) include in the Trading and Settlement Code a clause that invokes administered pricing if the SMP reaches PCAP for a more than three settlement periods.

The Market Price Floor:

PG request that the RAs consider revising this to zero as a negative floor has an impact on renewable generation as the SMP will be set to this floor price if all generators scheduled are Price Takers. This reduces the viability of same and may act as a barrier to renewable entry.