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Billy Walker
The Northern Ireland Authority for Utility Regulation
Queens House
14 Queen Street
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28 July 2010

Dear Billy,

Imperfections charges for October 2010 – September 2011

Viridian Power & Energy (VPE) welcomes this opportunity to respond to the above consultation.

In this response VPE will restrict its comments to a few straightforward queries:

1. Page 16 of the consultation paper highlights key assumptions used in the production of the constraints in PLEXOS for the TSOs' dispatch balancing costs forecast. However, this does not include what transmission loss adjustment factors (TLAFs) are assumed, therefore, VPE would be grateful if this could be clarified.
2. Page 20 of consultation paper identifies a number of key risk factors that could have a significant impact on the level of dispatch balancing costs. However, a change in the TLAF regime is not mentioned. Given the subsequent publication of a proposed decision to apply uniform TLAFs from October 2010 with the future possibility of 'splitting' this should be taken into account and recognised as a significant risk factor. VPE therefore requests that the impact of uniform TLAFs (versus the status quo) on constraints be quantified and published for the tariff year 2010-11.

3. We refer to the decision paper on harmonised all-island ancillary services and other system charges published 4th January 2010 (SEM-10-001). This considered it appropriate to net off charges associated with trips, short notice declarations, and generator performance incentives against dispatch balancing costs. Has this been reflected in the dispatch balancing costs published for consultation, and, if so, how? If not, how will these charges be offset against the imperfections tariff?

Please do not hesitate to contact me if you would like to discuss this response.

Yours sincerely

A handwritten signature in blue ink that reads "K Hannafin".

Kevin Hannafin
Regulation Manager