

SEM Trading and Settlement Code

Annual Capacity Exchange Rate for 2011

On 17th November 2010, the SEM Committee published its decision on the Annual operational Parameters for 2011¹. In that document, in relation to the value of the Annual Capacity Exchange Rate (ACER) that should apply for the year 2011, the SEM Committee stated that the RAs agreed with participants comments concerning the large volatility in the EUR/GBP in recent years. The RAs also recognised that a balance must be struck between setting the price as close to the period as possible and the certainty of the rate. Based upon the above, the SEM Committee revised their original proposal for the Annual Capacity Exchange Rate for 2011 and decided that the value of the ACER should be determined based on the period up to the end of November 2010. In addition the SEM Committee believed that the correct balance is struck by using an average of the spot rate with the forward point adjustment for the last five business days of November (i.e. up to 30th November 2010).

The SEM Committee further stated that, following receipt of this information from SEMO, it would publish the Market Operator's calculation of this value and will confirm this as being the 2011 value for the Annual Capacity Exchange Rate in early December.

The SEM Committee has now received the Market Operator's calculation, which is published with this notice, and accordingly confirms that the Annual Capacity Exchange Rate which will apply for the year 2011 is 0.8448 €/£.

Any queries on this are welcome to:

Dana Kelleher (dkelleher@cer.ie)

Analyst, Wholesale Electricity Markets.

¹ SEM-10-077