

Dana Kelleher
Commission for Energy Regulation
The Exchange
Belgard Square North
Tallaght
Dublin 24

2 March 2011

Dear Dana,

Request for Comments on the SEM Committee Consultation Paper SEM-11-004 dated 26th January 2011 on the *Extension to the Criteria for Approval of Intermediary Applications under the Trading and Settlement Code*

arc21 is grateful for the opportunity to respond to this Consultation Paper. arc21 is a collaborative legal public sector entity embracing eleven Councils located along the Eastern Region of Northern Ireland. arc21 is primarily responsible for activities associated with the production, ongoing development and implementation of a statutory Waste Management Plan ("the Plan") within the Eastern Region Area. Part of the Plan addresses the identification of sites suitable for developing infrastructure and facilities for recycling material from waste and recovering energy so as to reduce Northern Ireland's reliance on landfill as a means of waste disposal.

arc21 notes that it is proposed to introduce an extension to the intermediary criteria (the "Extension") in order to facilitate a potential new entrant that cannot access a support scheme they have been allocated due to the configuration of the SEM. arc21 supports the introduction of the Extension for the reasons set out in this letter.

1. Importance of Achieving Renewables Targets

arc21 welcomes the recognition by the SEM Committee of the principle that the SEM market rules should foster an environment that is fully conducive to the achievement of national and EU targets. While we note and accept that the SEM Committee is not charged with the achievement of these targets, we agree that the regulators should promote, or at least facilitate the achievement of these where possible. arc21 has previously outlined its view¹ on the importance of supporting renewable energy technologies that provide a reliable and predictable contribution to the achievement of these targets. Where such technologies have been afforded access to a support scheme in recognition of this contribution, then the market rules should absolutely not operate to undermine this support or prevent access to it.

/cont

¹ arc21 response to the Request for Further Comment to the SEM Committee Proposed Position Paper SEM-10-060 dated 2nd September 2010 on the *Principles of Dispatch and the Design of the Market Schedule in the Trading and Settlement Code*. Response dated 12th November 2010.

2. Market Access for Renewable Technologies

arc21 notes the importance of ensuring access to the market for generators using renewable energy sources, including those generators who have not yet been afforded priority dispatch for their entire output, pending the transposition and implementation of the Renewable Energy Directive, and the outcome of the SEM Committee's consultation in relation Scheduling and Dispatch and the Design of the Market Schedule.

We note that renewable support schemes are intended to facilitate market access to for plant using renewable energy sources which might not otherwise be able to compete with "incumbent" fossil fuel technologies.

Applying that reasoning, we consider that access to renewable support is in principle a market access issue, and that it is incumbent on the SEM Committee to be mindful of this and aim to secure (and not frustrate) this access.

We look forward to further engagement with the SEM Committee on the issue of the Extension and associated issues, particularly our earlier response to SEM Committee Proposed Position Paper SEM-10-060.

Yours sincerely,



John Quinn
arc21 Chief Executive