

SEM - CPM - FCPPy and ECPPy for Trading Year 2012

Synergen's response to SEM-11-068

1 Introduction

This paper is Synergen's response to the consultation paper "SEM - Capacity Payments Mechanism - FCPPy and ECPPy for Trading Year 2012" (SEM-11-068) published by the RAs on 8th August 2011. This response highlights elements of Synergen's response to SEM-11-019.

Synergen has no objection to this response being published.

2 Discussion

Synergen does not accept that a generator's behaviour is influenced by the ex-post CPM payment stream as generators strive to be available to earn SMP revenues and to comply with their Grid Code and Trading & Settlement Code obligations. In its response to SEM-11-019 Synergen suggested that should changes be made to the relative size of the CPM "pots" then there are arguments for reducing the size of the ex-post pot, not increasing it.

Synergen believes that as there are material issues under consideration by the RAs concerning the CPM (including the split between FCPPy and ECPPy) then the values of these parameters should be maintained at their existing levels for the trading year 2012.