

Mr Jamie Burke Commission for Energy Regulation The Exchange Belgard Square North Tallaght Dublin 24

BY EMAIL: jburke@cer.ie

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Dear Mr Burke

TIE-BREAK CONSULTATION, SEMC 26 APRIL 2012 (SEM-12-028)

The Consultation Paper states that its purpose is to consult on the 'treatment of curtailment in tie-break situations'. It adds that the 'options do not solve the core problem of curtailment; rather they are mechanisms to share the burden of curtailment in a fair manner, against a set of criteria'.

Empower Generation is actively exploring ways to add demand when required, eg during the overnight 'valley', and this may involve not only shifting existing electricity demand, but also switching demand away from other carbon–intensive energy sources.

The company also plans to develop fast-responding demand reduction mechanisms, to support TSOs in running higher levels of wind power without jeopardising system stability.

This goes well beyond the purpose of the tie-break consultation, which is essentially a Nil-Sum Game, in that it will merely focus on equity of sharing available demand to energy suppliers.

Understandably, the consultation does not seek to address the fundamental concern of wasting green energy, increasing system costs and inefficiencies, reducing returns for wind generators, and ultimately therefore adversely affecting consumer energy costs, exacerbating already serious fuel poverty levels.

The purpose of this contribution therefore is to ask that **consideration is given to the possibility of extra demand being provided, reducing curtailment levels**. A simple, effective method of establishing the level of curtailment reduction, allowing an appropriate incentive to be passed to the consumer to share in the benefit that they can produce by changed behaviour, will be essential. Empower Generation sees itself as offering an arbitrage service, designed primarily to benefit consumers.

So in arriving at a Curtailment Tie-Break method, although strictly beyond the brief of the consultation, a final review is recommended, to confirm that the preferred method will also ultimately be effective in supporting Curtailment Reduction.

Yours sincerely

MICHAEL BAMBRICK Managing Director