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Commission for Energy Regulation

Attn: Mr. Jamie Burke

By Email to jburke@cer.ie

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23rd May, 2012

Treatment of Curtailment in Tie-Break Situations
Consultation Paper of 26 April 2012

SEM-12-028

Dear Mr. Burke,

This submission is being made by Saporito Limited in response to the above consultation.

Saporito Limited has been actively involved in the design, development, ownership and operation of numerous renewable energy projects in Ireland over the last 20 years. In addition to its projects which are already in operation, Saporito is currently constructing a Gate 2/Gate 3 windfarm (which has a Firm grid connection), and has a "ready to go" 9.2 MW Gate 3 windfarm with full planning permission and a REFIT 2 Offer (which has now been placed on indefinite hold as a result of the previous "Tie-Break" decision of Section 3.5 of SEM-11-105 of last December).

We believe that the previous decision of Section 3.5 of SEM-11-105 will in almost all cases make it impossible to build a new windfarm in Ireland if the proposed new windfarm does not have a Firm grid connection. This will inevitably give rise to a very significant increase in the cost of meeting Irish Government renewable energy targets because it will make it impossible to build many of the proposed high capacity-factor windfarms which can generally deliver the most cost effective generation and which are largely located in areas where Gate 3 connection offers will not be Firm for many years to come. We furthermore believe that the decision of Section 3.5 of SEM-11-105 will in any event make it very difficult to achieve the 2020 renewable energy targets because very little contribution would then be made by the Non Firm Gate 3 projects (many of these projects will not yet be Firm by 2020).

Regarding the request for specific evidence, we hereby confirm that we have been forced to place the construction of our proposed 9.2 MW Gate 3 windfarm at Clogheravaddy, Co. Donegal on indefinite hold since the publication of Section 3.5 of SEM-11-105. This windfarm has full planning permission, a REFIT 2 Offer, a Gate 3 Connection Offer with an MEC of 9.2 MW, and is most certainly not a "speculative" windfarm. However, because its Gate 3 Connection Offer is not for Firm capacity, it has been impossible for us to finance the construction of this project as we now find ourselves confronted with a potentially enormous amount of curtailment (which would make the project non-viable) if we were to build the project in the coming years because the entire future curtailment requirements of the entire SEM would be first loaded onto our project (any any other early build Non Firm Gate 3 windfarms) notwithstanding that the immediate construction of our project would be fully in line with Irish Government renewable energy policy (the project has a REFIT 2 Offer).

Directors: J. Brazil (Chairman), P. Musgrave

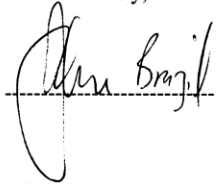
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We believe that the burden of curtailment must be evenly distributed on a pro-rata basis between all controllable windfarms irrespective of whether they are Firm or Non Firm. This way, the burden on any individual windfarm is unlikely to be excessive and there is consequently a good chance under this arrangement that many Gate 3 windfarms could be financed and built irrespective of whether their grid connection is Firm or Non Firm. This would certainly be the case with our proposed 9.2 MW Gate 3 windfarm at Clogheravaddy. We are confident that we could proceed immediately with the construction of this project with our existing REFIT 2 Offer and Non Firm Gate 3 Offer if curtailment was allocated on a pro-rata basis between all controllable windfarms.

I would be grateful if you could please acknowledge receipt of this submission.

Yours sincerely,

A handwritten signature in black ink, appearing to read "John Brazil", is written over a horizontal dashed line. The signature is fluid and cursive.

John Brazil
Chairman, Saporito Limited