

SSE Renewables Developments (UK) Ltd

SEM Committee,
c/o Commission for Energy Regulation,
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24.

25th May 2012

By email to: jburke@cer.ie

Re: Response to the "**Treatment of Curtailment in Tie-Break situations**", SEM-12-028

Dear SEM Committee members,

SSE Renewables Developments (UK) Ltd is a developer of a large portfolio of wind farms in Northern Ireland which will be developing sites that will initially have substantial levels of non- firm access.

We welcome the opportunity to respond to the SEM Committee consultation on the *Treatment of Curtailment in Tie-Break situations*.

The dispatch of wind generation in tie-break situations is of critical importance to our business. We support the SSE response to this consultation.

SSE Renewables Developments (UK) Ltd supports the alternative option (Option 3b) which is an amended version of the SEMC proposal Option 3, as it provides additional comfort to the SEMC with regard to overbuild while protecting projects that contribute to the 2020 renewable targets. This option provides a positive entry signal to ensure delivery of 2020 targets by providing certainty surrounding the investment environment. The high level principles for Option 3b are as follows:-

- A. There should be a tranche of projects required to deliver the MW required to meet the 2020 targets in each jurisdiction independently, which would be curtailed for the operational lifetime of the project on a pro-rata basis. These projects would be protected from higher curtailment as a result of further connections.
- B. Any projects connected and exporting power by a cut off date (no earlier than 1 January 2018 or at a later date if targets are unlikely to have been met by this time), will be in this first tranche.
- C. This tranche could in principle grow in size, but in a controlled fashion as curtailment mitigation measures arrive such that it doesn't apply higher curtailment than would otherwise have been expected.
- D. The treatment of new projects post the achievement of the 2020 targets will need to be defined at a later date.

- E. Projects being developed explicitly for export should not add to the curtailment of projects that contribute to 2020 targets.

SSE Renewables Developments (UK) Ltd believes that this option will deliver under all of the four criteria required by the SEMC. The table below outlines the satisfaction or failure, as appropriate, of this option against the SEMC required criteria 1 through 4. Regarding criteria 5, as curtailment and constraints are two different issues, there is no reason to ensure consistency of treatment. As such, our position on criteria 5 remains the same for all options considered.

Criteria Number	Criteria Description	SSE Renewables Developments (UK) Ltd Assessment of Option against Criteria
Criteria 1	Impact on the consumer and Dispatch Balancing Costs	This option will save the consumer money in terms of a significant reduction in energy production costs which far outweigh the costs of compensation in this option. Therefore has a positive impact in comparison to grandfathering.
Criteria 2	Facilitation of Ireland and Northern Ireland 2020 Renewable Targets	This option clearly focuses on delivering the 2020 renewable targets.
Criteria 3	Efficiency of Entry Signal	This option provides an efficient signal to those projects that will contribute to the 2020 targets and a reasonable signal to projects beyond this date to be cognisant of the market and target scenario at the time. It will also ensure earlier delivery of wind projects.
Criteria 4	Stable Investment Environment	This option provides certainty around a clear stable investment environment as projects can be clearly classed as contributing to the 2020 renewable targets or not.

Yours sincerely

**sent by email, requires no signature*

Stephen Wheeler, Director

SSE Renewables Developments (UK) Ltd