

**Power NI Energy Limited  
Power Procurement Business (PPB)**

**Trading & Settlement Code  
Annual Operational Parameters for 2015**

**Consultation Paper**

**SEM-14-086**

**Response by Power NI Energy (PPB)**

17 October 2014.



## **Introduction**

Power NI Energy – Power Procurement Business (“PPB”) welcomes the opportunity to respond to the consultation paper on the Trading & Settlement Code Annual Operational Parameters for 2015.

## **Comments**

### **1. Parameters for the determination of Required Credit Cover.**

PPB has no reason to dispute SEMO’s analysis and therefore agree that the existing values should be retained for 2015.

### **2. MSP Software Penalty Cost Parameters**

PPB has no reason to dispute SEMO’s analysis and therefore agree that the existing values should be retained for 2015.

### **3. Annual Capacity Exchange Rate**

We note that there is no consultation on the Annual Capacity Exchange Rate and that the exchange rate will be published in December, in line with the 15 November 2012 decision (SEM-12-106) for 2015. We have disagreed with this principle but note the decision has already been taken for this final year of the three year period.

From 2016 PPB considers that arrangements should be changed to ensure there is consistency between the Annual Capacity Exchange Rate and the exchange rate used to determine the BNE price for that year.

### **4. Parameters used in the calculation of Uninstructed Imbalances**

PPB agrees that the current parameters should remain for 2015.

### **5. Flattening Power Factor**

PPB again welcomes the recognition by the TSOs that market participants seek to be available and that generator units do not readily react to the ex-post capacity signal. PPB has, since the commencement of the SEM, consistently expressed the view that generator units generally have little scope to respond to ex-post signals and this is evident from the TSOs’ analysis.

PPB therefore agrees with the TSOs that the current FPF value of 0.35 should be retained for 2015.