

5 August 2020

Emailed to: Heather Pandich - [hpandich@cru.ie](mailto:hpandich@cru.ie) and Ian McClelland - [Ian.McClelland@uregni.gov.uk](mailto:Ian.McClelland@uregni.gov.uk)

**RE: Consultation Paper on Aggregation (SEM-20-042)**

Dear Heather, Ian,

The Irish Wind Energy Association (IWEA) and Northern Ireland Renewables Industry Group (NIRIG) welcome the opportunity to engage with the SEM Committee and respond to this consultation on aggregation in the SEM.

IWEA is the largest representative body for the Irish wind industry, working to promote wind energy as an essential, economical, and environmentally friendly part of our low-carbon energy future. NIRIG is a collaboration between IWEA and RenewableUK and is the voice of the renewable electricity industry in Northern Ireland. Together we represent a large majority of the renewable industry supply chain on the island.

Our comments in relation to the consultation are as follows:

- Aggregation is potentially a very important service for wind generation, and therefore we welcome the intention to be compliant with this pillar of the Clean Energy Package, however, we do not think that for this to be achieved, the use of intermediaries or DSUs is a suitable option.
- Aggregation in the CEP envisages aggregation of distributed demand and supply. The use of intermediaries and DSUs does not go far enough to deliver this aspiration
- The market does not facilitate net trading which would be central to delivering aggregation in the market. Net trading would also need to flow through to settlements and would need to consider the facilitation of portfolio trading such as is provided for with the Nordpool exchange.
- There is no clarity as to why intermediaries and DSUs, which already perform specific functions, are the suitable candidates for delivering aggregation. Especially when there are AGUs and ASUs participant categories, both of which would arguably provide a better avenue for establishing aggregation in the market. ASUs also have the

implication that they can aggregate both supply and generation, and therefore may be more suitable. The use of either of these categories would be a better mechanism; but there are challenges given the current unit-based trading of this market.

- In any case, the principle should be that aggregators abide by the same rules, including bidding restrictions, as other participants to ensure a level playing field in the market.
- There are also likely market power concerns that need to be addressed under these proposals and the potential for significant (and new) market power mitigation tools that will need to be considered. This is not addressed in the consultation but requires consideration.
- Finally, we believe that further consultation is necessary where amendments are proposed to the current market structure. This is especially relevant as no clear proposals have yet been put forward therefore consultation is needed on the specific options considered and their potential impacts.

In conclusion we thank the SEM Committee for the opportunity to respond to this consultation and we are available to discuss any of the points raised in more detail should you require.

Kind Regards,



Bobby Smith  
Senior Policy Advisor  
IWEA