



Energy for
generations

ESB GT's response to
SEMC's Consultation on De-rating for
Annual Run Hour Limits (SEM-22-055)

25/08/2022



1. INTRODUCTION

This submission presents ESB Generation and Trading's ("ESB GT") response to the SEMC consultation on a downward adjustment to the de-rated capacity for Candidate Units that have annual run hours limit. The purpose of this consultation is to get feedback on the proposed modification to amend the Capacity Market Code ("CMC") to implement an annual run hour limit-based de-rating factor for New Capacity.

ESB GT agrees with these points outlined in the modification proposal:

1. The additional de-rating will only apply to combustion plants and will initially only apply to New Capacity.
2. It is not appropriate to apply this additional de-rating to Existing Capacity, at this time, as it could lead to early exit of capacity at a time when generation margins are tight.

2. RESPONSE TO CONSULTATION

ESB GT would like to raise the following points:

1. There is insufficient evidence provided on how this modification will more efficiently deliver the objectives of the CMC. Could the Regulators please provide relevant evidence to support this?
2. This modification applies only to New Capacity, initially. This creates a degree of regulatory uncertainty that may harm future investments. If the SEMC's minded-to position is to make this change, then it should only apply to New Capacity.
3. The implementation of this modification should ensure that the de-rating factors at the time of qualification will apply throughout the duration of the capacity contract.