



TYNAGH ENERGY
L I M I T E D

Thomas Quinn
Commission for Regulation of Utilities
The Exchange
Belgard Square North
Tallaght
Dublin 24

Karen Shiels
Utility Regulator
Queens House
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Belfast
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Ref: TEL/CJD/18/076

19th April 2018

RE: Response to SEM-18-009

Dear Karen, Thomas,

Tynagh Energy Limited (TEL) welcomes the opportunity to reply to this Capacity Remuneration Mechanism Consultation (SEM-18-009).

However, it is difficult to respond to this consultation at the current time. We are responding when there is surplus generation on the island, however there have been announcements regarding the closure of nearly 1500MW of electricity on the island leading to very tight system adequacy in both of the locationally constrained areas. The nature of the parameters in this consultation change completely depending on whether these closures happen. Therefore, we are making our response in the absence of crucial information. We recommend that there is no decision based on this consultation, but instead that this consultation is reissued once there is greater clarity on what generation will be available for the next auction.

In this consultation there has been considerable emphasis on the EC State Aid Decision. While most of the impact of that Decision will be addressed in later consultations we believe that this Decision emphasises the need for transmission system upgrades. If these upgrades are not performed the TSO will be supporting inefficient capacity in constrained areas while more efficient generation will be forced to close due to these temporary locational issues.

1) Do you have any comments on the indicative auction timetable set out in this section?
TEL believe that the proposed timetable of T-1 Auctions in December and T-4 Auctions in March is reasonable as is the schedule for the remaining transitional auctions.

2) Do you agree with the SEM Committee's minded to position to keep the parameters (excluding capacity requirement and de-rating factors) for the CY2019/20 capacity auction consistent with the CY2018/19 parameters?

As above, TEL believe that this is not the appropriate time to answer this question as there is too much uncertainty as to which plants will be available in the new market.

3) Do you have any comments on the methodology for calculating DRFs for storage units as described in this paper?

At a basic level, TEL believe that any new technology needs to be derated conservatively until the stage that it becomes established technology.

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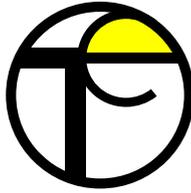
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Should you have any queries, please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink that reads "Cormac Daly". The signature is written in a cursive style and is positioned above a solid horizontal black line.

Cormac Daly
Regulation and Business Development Manager