



## Updated Information Note on Synergen GSA end date

**SEM-19-004**

**January 30 2019**

### **Purpose**

The SEM Committee (SEMC) published an Information Note (SEM-18-035) on 5<sup>th</sup> July 2018 which provided additional clarity to the market on the status of the Synergen Gas Supply Agreement (GSA).

The Synergen power plant comprises a generator unit which is traded in the Single Electricity Market (SEM). The plant is owned by Synergen Power Limited (Synergen) (formerly Dublin Bay Power), a wholly owned subsidiary of ESB.

The Commercial Offer Data (COD) submitted by Synergen power plant to the wholesale electricity market is based on the terms of this GSA, rather than the spot price of natural gas, as allowed for under SEMC decision SEM-08-069<sup>1</sup>.

The purpose of this updated Information Note is to provide further clarity to the market on the status of the Synergen GSA.

### **Background**

In the interests of full market transparency, the RAs received permission from ESB (on behalf of Synergen) in mid-2018 to publish information regarding the anticipated end date of the Synergen GSA. This led to the publication of Information Note SEM-18-035 on 5<sup>th</sup> July 2018, in which it was outlined that the terms of the GSA, as amended following a commercial settlement between ESB and the gas supplier (which, in July 2009, the SEMC confirmed did not impact on decision SEM-08-069), provide for termination of the GSA on **the earlier of** (i) a specified gas volume limit being reached<sup>2</sup>; and (ii) 1 July 2020.

At that time, it was not possible to provide a reliable estimate as to the actual end date of the GSA but the SEMC noted that this would be kept under review by ESB and the SEMC.

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<sup>1</sup> <https://www.semcommittee.com/publication/sem-08-069-clarification-bidding-principle>

<sup>2</sup> The volume limit is commercially sensitive



## **Update**

Due to decisions relating to the future operation of the Synergen power plant, and having carried out analysis based on those decisions, ESB (on behalf of Synergen) has now indicated to the SEMC that ESB's best estimate is that it is very likely that the specified gas limit will be reached (i.e. the GSA will terminate) during Quarter 3 of 2019.